GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:4693
ANSWERED ON:25.04.2000
LOSSES TO FERTILIZER MAKERS
AJAY CHAKRABORTY

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) Whether attention of the Government has been drawn to the news item captioned "Fertilizer makers may incur losses due to dumping" appearing in the "Business Standard" dated April 1, 2000; and

(b) if so, the facts of the matter reported therein and the reaction of the Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(Shri Ramesh Bais)

(a)&(b) Yes, Sir. DAP has been decontrolled since 24.8.1992 and its imports have been decanalized with effect from 17.9.1992. However, the Government determines the Maximum Retail Prices (MRP) and the rates of Concession for indigenous andimported DAP under the Concession Scheme of the Department of Agriculture andCooperation. The indigenous producers of DAP are at a disadvantage as the raw materials/intermediates required for its production are not available in the country. To compensate for this disadvantage, rate of concession for indigenous DAP ispegged at a higher level than that of imported DAP. For 1999-2000, the Government had fixed concession of Rs.4600 per metric tonne (provisional) for indigenous DAPand Rs.3200 per metric tonne for imported DAP. At these rates of concession, indigenous production has been 38.58 lakh metric tonnes which is higher than the target of 37.25 lakh metric tonnes for 1999-2000. Imports in the same period have

been nearly 33 lakh metric tonnes. Thus the domestic production has not suffered despite the high level of imports.

In the market place both indigenous and imported DAP are sold at a competitiveprice. The Government role is to put in place the policy which spurs both the indigenous production and imports. The selling price to farmers is a function of demand and supply.

The Government has not received any representation regarding dumping of DAP byforeign suppliers in the country nor has the industry been of the view that there has been dumping of DAP.